



**THOMAS L. GARTHWAITE, M.D.**  
Director and Chief Medical Officer

**FRED LEAF**  
Chief Operating Officer

COUNTY OF LOS ANGELES  
DEPARTMENT OF HEALTH SERVICES  
313 N. Figueroa, Los Angeles, CA 90012  
(213) 240-8101

BOARD OF SUPERVISORS

**Gloria Molina**  
First District

**Yvonne Brathwaite Burke**  
Second District

**Zev Yaroslavsky**  
Third District

**Don Knabe**  
Fourth District

**Michael D. Antonovich**  
Fifth District

May 19, 2005

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**APPROPRIATION ADJUSTMENT TO THE DEPARTMENT  
OF HEALTH SERVICES' FISCAL YEAR 2004-05 BUDGET**  
(1st District) (3 Votes)

IT IS RECOMMENDED THAT YOUR BOARD:

Approve an appropriation adjustment to the Department of Health Services' Fiscal Year 2004-05 Adopted Budget to reflect various refinements in the LAC+USC Healthcare Network's operating plan.

**PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTION:**

In approving the recommended action, the Board is increasing Services & Supplies (S&S) appropriation, funded by a reduction in Salaries & Employee Benefits (S&EB) appropriation and an increase in Expenditure Distribution, to align LAC+USC Healthcare Network funding levels to more accurately reflect the anticipated operational costs and revenues for Fiscal Year (FY) 2004-05.

The \$14,419,000 projected deficit in S&S is primarily attributed to increased contract registry costs, chiefly for nursing personnel. Registry usage has steadily grown as the result of the State mandated licensed nurse-to-patient ratios for general acute care hospitals (Assembly Bill 394), and the inability to fill vacant County nursing positions. In addition, \$2,789,000 of the increase in S&S is due to increased pharmaceutical expenditures at facilities participating in the centralized pharmacy purchasing program budgeted at LAC+USC Healthcare Network.

Surplus appropriation exists in the LAC+USC Healthcare Network's S&EB to fund the increase in S&S.

The Honorable Board of Supervisors  
May 19, 2005  
Page 2

FISCAL IMPACT/FINANCING:

The attached appropriation adjustment increases LAC+USC Healthcare Network S&S appropriation by \$14,419,000, offset by an \$11,630,000 reduction in S&EB appropriation and a \$2,789,000 increase in Expenditure Distribution, to reflect anticipated operational costs in FY 2004-05. This appropriation adjustment does not increase net County cost.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

Not applicable.

CONTRACTING PROCESS:

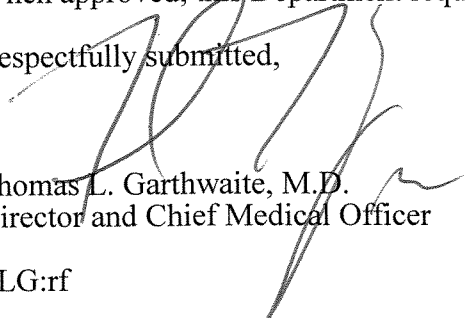
Not applicable.

IMPACT ON CURRENT PROGRAM SERVICES (OR PROJECTS):

Not applicable.

When approved, this Department requests three copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.  
Director and Chief Medical Officer

TLG:rf

Attachment (1)

c: Chief Administrative Officer  
County Counsel  
Executive Officer, Board of Supervisors  
Auditor-Controller

lac usc appropriation adjustment.rf.wpd

COUNTY OF LOS ANGELES  
REQUEST FOR APPROPRIATION ADJUSTMENTDEPT'S.  
No.

DEPARTMENT OF Health Services

May 18, ~~18~~ 2005

## AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

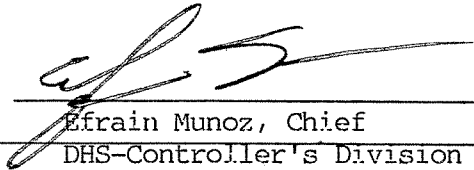
## ADJUSTMENT REQUESTED AND REASONS THEREFOR

3-VOTE  
FY 2004-05

See attached for details.

## Justification:

This budget adjustment is to align LAC+USC Healthcare Network funding levels to more accurately reflect anticipated operational costs and revenues for Fiscal Year 2004-05. This budget adjustment does not affect net County cost.

EM:js  
05/18/05
  
Efrain Munoz, Chief

DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF  
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED ✓

AS REVISED

MAY 19, 2005

DAVID E. JANSSEN

APPROVED (AS REVISED):  
BOARD OF SUPERVISORS

19

AUDITOR-CONTROLLER BY *Nick Jorg*

No. 341

MAY 19 ~~18~~ 2005

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER

DEPT OF HEALTH SERVICES  
BUDGET ADJUSTMENT  
FY 2004-05

Dept No. 110

(3-VOTE)  
FY 04-05

**Sources:**

LAC+USC Healthcare Network  
MN4-HG-60010-1000  
Salaries & Employee Benefits \$11,630,000

LAC+USC Healthcare Network  
MN4-HG-60010-5350  
Expenditure Distribution \$2,789,000

Total \$14,419,000

**Uses:**

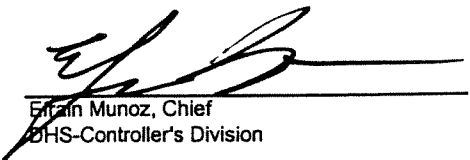
LAC+USC Healthcare Network  
MN4-HG-60010-2000  
Services & Supplies \$14,419,000

Total \$14,419,000

**Justification:**

This budget adjustment is to align LAC+USC Healthcare Network funding levels to more accurately reflect anticipated operational costs and revenues for Fiscal Year 2004-05. This budget adjustment does not affect net County cost

EM:js  
5/18/2005

  
Brian Munoz, Chief  
BHS-Controller's Division

*Heidi J. Jorgensen*  
5-19-05 *AM* 5/19/05

M:\Excel\SOKALSKI\NE\FPA05\Budget Adj-S&S-1

BA # 341 MAY 19, 2005